

AMENDED IN SENATE MARCH 23, 2006

SENATE BILL

No. 1249

Introduced by Senator Alquist

February 8, 2006

An act to amend Section 18724 of the Revenue and Taxation Code, relating to taxation, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1249, as amended, Alquist. Taxation: contributions: California Fund for Senior Citizens.

Under the Personal Income Tax Law, individual taxpayers are allowed to contribute amounts in excess of their tax liability for the support of specified funds or accounts, including, among others, the California Fund for Senior Citizens. That law provides for the repeal of the contribution provisions for this account on January 1 of any calendar year that the Franchise Tax Board estimates the annual contribution amount will be less than \$250,000 for taxable years beginning in 2001, or an adjusted amount calculated from the inflation factor, based on the percentage change in the California Consumer ~~Price~~ *Price* Index, multiplied by the prior year's estimated contribution amount, as described.

This bill would instead provide for the repeal of the contribution provisions for this account only when the board estimates the annual contribution amount will be less than \$250,000 for a taxable year.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 18724 of the Revenue and Taxation Code is amended to read:

18724. (a) This article shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2010, deletes that date.

(b) If the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000) for taxable years beginning in 2001, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to prevent the California Senior Legislature from losing its only source of financial support and funding before the end of the fiscal year, it is necessary that this act take effect immediately.